

IC 20-27-4

Chapter 4. Purchase of School Buses

IC 20-27-4-1

Authority to purchase school buses

Sec. 1. A school corporation may purchase a school bus or special purpose bus to furnish transportation for students. The school corporation may purchase:

- (1) both the body and the chassis of a school bus; or
- (2) either the body or the chassis.

A purchase may be made for cash or under the terms of a security agreement.

As added by P.L.1-2005, SEC.11.

IC 20-27-4-2

Security agreements; generally

Sec. 2. A security agreement under this chapter may not run for more than six (6) years. The agreement must be amortized in equal or approximately equal installments, payable on the first day of January and July each year. The first installment of principal and interest must be due and payable on the first day of July next following the collection of a tax that was levied after execution of the security agreement.

As added by P.L.1-2005, SEC.11.

IC 20-27-4-3

Security agreements; appropriation

Sec. 3. Before a security agreement is executed, an appropriation for the amount of the purchase price must be made. The appropriation is made in the same manner as any other appropriation, except that the amount of the appropriation is not limited by the amount of funds available at the time of the execution or the amount of funds to be raised by a tax levy effective at the time of the execution. A petition to borrow, a notice to taxpayers, or other formality is not necessary, except:

- (1) as specifically provided in this chapter; and
- (2) as may be required by law for the issuance of general obligation bonds.

As added by P.L.1-2005, SEC.11.

IC 20-27-4-4

General obligation bonds

Sec. 4. If a school corporation requires funds to purchase a school bus for cash, the school corporation may borrow the necessary funds by issuing general obligation bonds. The bonds shall be issued in the same manner as other general obligation bonds. However, the bonds may not extend for more than six (6) years.

As added by P.L.1-2005, SEC.11.

IC 20-27-4-5

Loans

Sec. 5. (a) If a school corporation requires funds to purchase a school bus for cash, the school corporation may, instead of issuing general obligation bonds, negotiate for and borrow funds or purchase the school bus on an installment conditional sales contract or a promissory note secured by the school bus.

(b) To effect a loan, the school corporation shall execute a negotiable note or notes to the lender. The notes may not extend for more than six (6) years and are payable at the same times and in the same manner as provided for security agreements in section 2 of this chapter.

(c) Before a note described in this section is executed, an appropriation for the amount of the purchase price of the school bus and any incidental expenses connected with the purchase or the loan, must be made in the same manner as other appropriations are made, except that the amount of the appropriation is not limited by the amount of funds available at the time of the loan or purchase or by the amount of funds to be raised by a tax levy effective at the time of the loan.

(d) A petition to borrow, a notice to taxpayers, or other formality is not necessary to borrow funds under this section except as specifically provided in this chapter.

As added by P.L.1-2005, SEC.11.

IC 20-27-4-6

Manner of purchase

Sec. 6. (a) The purchase of a school bus shall be made in the same manner as provided by law for the purchase of school supplies by a school corporation.

(b) If a school bus is purchased under a security agreement, the required notice to bidders or solicitation of bids must set:

- (1) the length of time the security agreement shall run; and
- (2) the terms of the security agreement, including the security agreement price and interest rate.

(c) The low bid for a security agreement shall be determined by adding to each bidding price the net interest cost and then comparing the totals of the price and interest on each bid. Any difference between the cash and the security agreement prices may not be considered a charge under section 2 of this chapter. Instead, a separate statement of each price shall be made to enable the governing body to determine the advisability of purchasing a school bus under a security agreement.

As added by P.L.1-2005, SEC.11.

IC 20-27-4-7

Indiana bond bank; loans, security agreements, or leases

Sec. 7. Notwithstanding any other provision of this chapter, a school corporation may negotiate and enter into loans, security agreements, or leases with the Indiana bond bank for the acquisition and financing of a school bus.

As added by P.L.1-2005, SEC.11.

IC 20-27-4-8

Effect of chapter

Sec. 8. This chapter does not affect the validity or legality of a negotiable instrument, conditional sales contract, purchase money mortgage contract, or promissory note executed and delivered before July 1, 1965, by a school corporation and given for the purchase of a school bus in accordance with Indiana law that was specifically repealed or repealed by implication by Acts 1965, c.259.

As added by P.L.1-2005, SEC.11.